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FISCAL IMPACT STATEMENT

LS 7046

BILL NUMBER: SB 342

NOTE PREPARED: Jan 29, 2004

BILL AMENDED:

SUBJECT: Towing Liens.

FIRST AUTHOR: Sen. Young R Michael

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires the Bureau of Motor Vehicles (BMV) to sell an abandoned vehicle no later than 90 days after the BMV sends notice to the vehicle owner and any lienholders. It allows an unpaid provider of towing services to obtain a mechanic's lien on a towed vehicle and sell the vehicle. The bill prohibits the BMV from selling certain abandoned vehicles at a public sale.

Effective Date: July 1, 2004.

Explanation of State Expenditures: The Dealers/Special Sales Division within the BMV, which handles abandoned vehicles, may experience additional staff time devoted to abandoned vehicles. It is not possible to quantify the additional time, if any, that might be devoted to abandoned vehicles because of this proposal. Currently, the Division has 29 full-time employees with annual salaries totaling \$651,503. The fund affected is the Motor Vehicle Highway Account which supports the BMV.

Explanation of State Revenues: The BMV may experience a reduction in the number of vehicles which they are able to sell at auctions. The following table shows the annual revenue received for abandoned vehicles by the BMV.

FY	Amount
1999	\$755,310
2000	\$671,491
2001	\$693,872
2002	\$490,786
2003	\$269,308
Total	\$2,125,457
5 Yr Avg	\$425,091

Background Information: If an abandoned vehicle is valued at over \$500 and is not claimed, it may be sold. The purchaser of an abandoned vehicle must purchase a bill of sale for a fee of \$6.

Cities of the first to fourth classes may elect to sell and keep revenues from vehicles abandoned in their jurisdictions (IC 9-22-1-23-27). The city or BMV is responsible for notifying the owner of the vehicle.

All revenue collected by the BMV is paid into the Abandoned Vehicle Fund to be used to pay administrative expenses. At the end of every state fiscal year, all monies in excess of \$37,000 are transferred to the MVHA.

Explanation of Local Expenditures:

Explanation of Local Revenues: Cities of the first to fourth classes may elect to sell and keep revenues from vehicles abandoned in their jurisdictions (IC 9-22-1-23-27). The city or BMV is responsible for notifying the owner of the vehicle. These local units may experience a reduction in the number of vehicles which may be sold at auction, the number of which is indeterminable.

State Agencies Affected: Bureau of Motor Vehicles.

Local Agencies Affected:

Information Sources: State Auditor's Revenue Trial Balance of FY 1999-2003; Staffing Table, December 2003.

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